



Jeremiah W. (Jay) Nixon, Governor • Sara Parker Pauley, Director

DEPARTMENT OF NATURAL RESOURCES

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JAN 16 2012

Mr. Alan Wyatt, Chairman
Mark Twain Solid Waste Management District
c/o Macon County Courthouse
101 E. Washington
P.O. Box 96
Macon, MO 63552

Dear Mr. Wyatt:

The Solid Waste Management Program (SWMP) is providing a copy of the final Independent Auditor's Report for the performance audit completed in accordance with 260.325.10 RSMo of Region G – Mark Twain Solid Waste Management District (Region G) for the period July 1, 2008 through June 30, 2010 conducted by Casey-Beard-Boehmer PC of Columbia. The current audit was completed as a follow-up to the prior performance audit of the district, which had significant findings and resulted in the district being placed on "high risk" status on November 1, 2007.

The follow-up audit was completed to allow SWMP to determine whether Region G had demonstrated sufficient progress to warrant removal of the "high risk" status. This audit concluded that of the fifteen findings contained in the prior performance audit, fourteen of the recommendations were implemented and one was partially implemented with no additional corrective action required at this time. Based upon the district's corrective action taken to address the prior audit findings and the department's subsequent withholding of district funds, the SWMP considers the prior performance audit to be resolved and will take the final \$60,824 withholding from the 2nd Quarter 2012 district allocation. The "high risk" designation will be removed effective January 1, 2012.

The follow-up audit includes two findings, auditor's recommendations for corrective action, and Region G's responses to these findings. Finding #1 relates to Chapter 610 RSMo, commonly referred to as the Missouri Sunshine Law, specifically the requirement for the notice of meeting to include the date and time posted and a practice of the district to include on the agenda a standard paragraph that the board "may" go into closed session. The district's corrective action to Finding #1 is responsive. To fully resolve the finding, Region G will need to submit to SWMP copies of the public notices and meeting agendas for the next 6 months to demonstrate the district's compliance with the Sunshine Law requirements. In regard to Finding #2, a subgrantee did not maintain the required project grant file. We understand the district has taken appropriate action by meeting with the subgrantee to review documentation requirements that grant records be maintained and available for audit. We consider Finding #2 to be resolved.



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During the "high risk" period, the SWMP has managed Region G's disbursements as approved by the executive board. Beginning on January 1, 2012, Region G will be returned to normal status with funds being disbursed to the district's bank account. As a result of the financial audit for the period ended June 30, 2011, the district's financial auditor noted a continuing segregation of duties issue in the accounting functions which is common for small entities with limited staff. As discussed at the November 16, 2011 executive board meeting, the SWMP is requiring the executive board to actively involve themselves in the financial management functions.

Our expectation is the accounting transactions and financial statements will be reviewed monthly and signed/dated by the executive board to document completion. This provides necessary compensating controls to strengthen the oversight of the district grant funds which are public moneys. We request the district submit copies of the signed/dated financial statements monthly to the SWMP for the next six months beginning January 1, 2012 to demonstrate the district's compliance with this requirement. We plan to work with you as the district returns to normal operations. Region G may expect increased monitoring and site visits by SWMP staff to review fiscal and grant records and to allow for feedback concerning the district's operations.

We are encouraged by the progress demonstrated by the district to date. Recent projects have shown an increase in the number of tons of usable materials being diverted from landfills and your innovative single stream pilot projects in rural communities are to be commended. We look forward to continuing our partnership in the coming years as we work together to protect Missouri's natural resources.

Please do not hesitate to contact Ms. Brenda Ardrey at (573) 526-9940 or by mail at P.O. Box 176, Jefferson City, Missouri 65102, if you have any questions or require further clarification. Thank you for your cooperation and assistance in this effort.

Sincerely,

DEPARTMENT OF NATURAL RESOURCES



Sara Parker Pauley
Director

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c: Ms. Robin Fitzgerald, Mark Twain Regional Planning Commission, Executive Director
Ms. Cindy Hultz, Mark Twain Solid Waste Management District, Planner
Ms. Linda Jaegers, Division of Environmental Quality, Fiscal & Administrative Manager
Mr. Chris Nagel, Solid Waste Management Program, Director
Ms. Brenda Ardrey, Solid Waste Management Program, Fiscal & Administrative Manager